

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO**

DOCKET NO. 02A-659T

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IN THE MATTER OF THE APPLICATION OF EVERCOM SYSTEMS, INC. AND  
EVERCOM, INC. FOR EXPEDITED APPROVAL OF THE INDIRECT TRANSFER OF  
CONTROL OF EVERCOM SYSTEMS, INC. PURSUANT TO A DEBT/EQUITY  
EXCHANGE BY EVERCOM, INC.

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**ORDER GRANTING APPLICATION**

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Mailed Date: January 30, 2003  
Adopted Date: January 29, 2003

**I. BY THE COMMISSION**

**A. Statement**

1. On December 18, 2002, Evercom Systems, Inc. (ESI), and Evercom, Inc. (EI), filed an application to execute an indirect transfer of ESI through the restructuring of its parent, EI pursuant to 4 *Code of Colorado Regulations* 723-25-8.

2. ESI was granted a Letter of Registration for non-optional operator services in Commission Decision No. C95-468.

3. ESI is a wholly-owned subsidiary of EI. EI proposes to restructure and recapitalize through: (a) an exchange offer with the holders of certain of its outstanding debt; and (b) a related merger in which EI will become a wholly-owned, direct subsidiary of EI Merger Holdings, Inc. As a result, upon consummation of the contemplated transactions, the former debt holders will collectively own approximately 98 percent of a newly-formed corporation, EI Merger Holdings, Inc., which will in turn hold 100 percent of the stock of EI, thereby

effecting an indirect transfer of control of ESI. ESI will continue to provide services to its customers and management and relevant contact information will remain the same.

4. ESI has effective tariffs on file with the Commission.

5. On December 20, 2002, the Commission issued a Notice of Application Filed, giving notice to all interested parties. None were filed.

**B. Discussion**

6. The application is unopposed and may be considered without a hearing. § 40-6-109(5), C.R.S.

7. The Commission finds that the proposed transfer of assets is not contrary to the public interest.

**II. ORDER**

**A. The Commission Orders That:**

1. The application by Evercom Systems, Inc., is deemed complete.

2. The application to approve the indirect transfer of Evercom Systems, Inc., is granted.

3. The obligation of Evercom Systems, Inc., to file an annual report with the Commission and contribute to all applicable Colorado funds for the period prior to the effective date of this Order remains. These funds include the Public Utilities Commission's Fixed Utilities Fund, the Colorado High Cost Administration Fund, the Telecommunications Relay Services for the Disabled Telephone Users Program, and the Emergency Telephone Access Act Program.

4. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING  
January 29, 2003.**

(S E A L)



**ATTEST: A TRUE COPY**

*Bruce N. Smith*

**Bruce N. Smith  
Director**

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

**RAYMOND L. GIFFORD**

**POLLY PAGE**

**JIM DYER**

Commissioners